

The Connecticut General Assembly

Legislative Commissioners' Office

Edwin J. Maley, Jr.
Commissioner
William A. Hamzy
Commissioner

Larry G. J. Shapiro
Director



Legislative Office Building
Suite 5500
Hartford, Connecticut
06106-1591
(860) 240-8410
fax (860) 240-8414
e-mail: lco@cga.ct.gov

Memorandum

To: Legislative Regulation Review Committee
From: Legislative Commissioners' Office
Committee Meeting Date: April 24, 2012

Regulation No:	2012-6
Agency:	Office of the State Comptroller
Subject Matter:	Time Frames for Filing Claims
Statutory Authority: (copy attached)	5-155a(e), 5-155b

	Yes or No
Mandatory	Y (5-155b)
Federal Requirement	N
Permissive	Y (5-155a)

For the Committee's Information:

The number of the proposed regulation is inconsistent with the manner in which other regulations of the State Employees Retirement Commission, and those related to Title 5, State Employees, generally are numbered. The proposed regulation is being included under the number of the governing statute, section 5-155a. Currently, there is one regulation under that section number (5-155a-1). The proposed regulation is numbered 5-155a(j)-4. Other regulations under Title 5 consist of the number of the governing statute followed by -1, -2, etc. None includes a subsection reference. Also, in the Agency Fiscal Estimate of Proposed Regulation prepared by the agency, the proposed regulation section number is stated as "Sec. 5-155a-1", which is not the number of the new regulation, but of the existing regulation. See also technical correction number 1.

Substantive Concerns:

Technical Corrections:

1. The section of the proposed regulation should be renumbered as "5-155a-2" for proper form.
2. The words "must" and "will" are used throughout the proposed regulation (see line 10 in subsection (a), line 5 in subsection (c), line 1 in subsection (d), line 5 in subsection (e), lines 1, 3 and 4 in subsection (f), lines 1, 6 and 7 in subsection (g) and line 3 in subsection (i)). "Shall" should be substituted for "must" and "will" throughout the proposed regulation, in accordance with the committee's directive concerning mandates.
3. On page 1, subsection (a): In line 1, the word "can" should be "may" for proper grammar; in line 3, the word "for" should be deleted for clarity and in line 7, "his" should be "his or her" for consistency with the rest of the regulation in using gender neutral construction.
4. On page 1, subsection (d), in the last sentence, the phrase: "shall end at close of business at the end of a twenty-four (24) month period." should be "shall end at close of business on the date that is twenty-four months after the applicant's last day of paid employment.", for clarity.
5. On page 2, in subsection (g), reference is made to the "examining board". In subsection (d), the Medical Examining Board is defined as "Board" and that term is used in other references to that board. In lines 4 and 5 of subsection (g), "examining board" should be "Board" for accuracy and consistency.

Recommendation:

X Approval in whole
X with technical corrections
with deletions
with substitute pages
Disapproval in whole or in part
Rejection without prejudice

Reviewed by: Jo A. Roberts / Angela Rehm

Date: April 12, 2012

Sec. 5-155a. Connecticut State Employees Retirement Commission. Membership. Powers and duties. Alternate retirement program. Regulations. Report by Treasurer. Claims process. (a) **Members.** The general administration and responsibility for the proper operation of the state employees retirement system is vested in a single board of trustees to be known as the Connecticut State Employees Retirement Commission. Notwithstanding the provisions of section 4-9a, the Retirement Commission shall consist of the following: (1) The Treasurer or a designee, who shall be a nonvoting ex-officio member; (2) six trustees representing employees who shall be appointed by the bargaining agents in accordance with the provisions of applicable collective bargaining agreements. The trustees representing employees shall not be members of the same bargaining unit. The trustees representing employees shall serve three-year terms; (3) six management trustees who are members of the state employees retirement system, who shall serve three-year terms. The management trustees shall be appointed by the Governor; (4) two actuarial trustees who are enrolled actuaries and Fellows of the Society of Actuaries. One actuarial trustee shall be nominated by the management trustees and one shall be nominated by the trustees representing employees. The Governor shall appoint the actuarial trustees for three-year terms; and (5) one neutral trustee who shall be chairman of the State Employees Retirement Commission. Such neutral trustee shall be enrolled in the National Academy of Arbitrators and shall be nominated by the employee and management trustees and appointed by the Governor. The neutral trustee shall serve a two-year term. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled. The trustees, with the exception of the chairman and the actuarial trustees, shall serve without compensation but shall be reimbursed in accordance with the standard travel regulations for all necessary expenses that they may incur through service on the commission. The chairman and the actuarial trustees shall be compensated at their normal and usual per diem fee, plus travel expenses, from the funds of the retirement system for each day of service to the commission. Each trustee shall, within ten days after appointment or election, take an oath of office that so far as it devolves upon the trustee, the trustee will diligently and honestly administer the affairs of the commission, and will not knowingly violate or willingly permit to be violated any of the provisions of law applicable to the state retirement system. Each trustee's term shall begin from the date the trustee takes such an oath. The trustees shall appoint a representative from among the municipalities that have accepted the provisions of part II of chapter 113, who shall serve as a municipal liaison to the commission, at the commission's pleasure and under such terms and conditions as the commission may prescribe. Each trustee shall be entitled to one vote on the commission. A majority of the commission shall constitute a quorum for the transaction of any business, the exercise of any power or the performance of any duty authorized or imposed by law. The Retirement Commission shall

be within the Retirement Division of the office of the Comptroller for administrative purposes only. The Comptroller, ex officio, shall be the nonvoting secretary of the commission and shall provide secretariat support to the commission.

(b) **Meetings.** The Retirement Commission shall meet at least monthly and shall report to the Governor as provided in section 4-60.

(c) **Powers and duties.** The Retirement Commission shall administer this retirement system, the municipal employees' retirement system established by part II of chapter 113 and all other state retirement and pension plans except the Teachers' Retirement Fund. The Retirement Commission shall have general supervision of the operation of the retirement system, shall conduct the business and activities of the system, in accordance with this chapter and applicable law and each trustee shall be a fiduciary with respect to the retirement system and its members. The Retirement Commission shall authorize the participation in an alternate retirement program by the eligible unclassified employees of the constituent units of the state system of higher education and the central office staff of the Board of Regents for Higher Education. Such program may be underwritten by a life insurance company licensed to do business in this state. In conducting the business of the system, including its oversight functions, the Retirement Commission shall act: (1) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; (2) in accordance with strict fiduciary standards and responsibilities; and (3) in accordance with the provisions of the general statutes and applicable collective bargaining agreements.

(d) **Social Security.** The Retirement Commission shall act as agent for the state in all matters relating to the Social Security Agreement, except those matters set forth in parts four, nine and ten of said agreement. The Retirement Commission may make regulations as to maintaining membership under Social Security or conduct referenda as appropriate to secure Social Security coverage for state employees to the extent permitted by Section 218 of the Social Security Act.

(e) **Regulations.** The Retirement Commission may adopt such regulations, in accordance with the provisions of chapter 54, as are necessary to carry out the provisions of this chapter and may establish rules and regulations which it deems necessary or desirable to facilitate the proper administration of the retirement system. Rules and regulations established by the commission shall be binding upon all parties dealing with the Retirement Commission and all persons claiming any benefits from the system provided that no regulation, rule, action or determination made or adopted by the Retirement Commission shall in any manner conflict or be inconsistent with any provision of an applicable current collective bargaining agreement in effect between any state

employer and the unions representing employees.

(f) **Allocation and delegation of fiduciary responsibilities.** The Retirement Commission may, by resolution or regulation, allocate fiduciary responsibilities and various administrative duties to committees or subcommittees of the Retirement Commission, and may delegate such responsibilities and duties to other individuals as it deems appropriate or necessary in its sole discretion and consistent with this section.

(g) **Hearings.** The commission may hold hearings when deemed necessary in the performance of its duty. The hearings shall be governed by rules and regulations of the commission and the commission shall not be bound by technical rules of evidence.

(h) **General counsel.** The commission may hire a general counsel who shall serve at the pleasure of the commission, have offices in the Retirement Division and perform duties as directed by the commission. The commission may obtain such additional legal advice and assistance as it deems advisable.

(i) **Reporting and disclosure.** (1) All plans, descriptions and reports and all legal, financial and actuarial documents dealing with the general operations of the pension plan shall be available for inspection and copying by members and their representatives. The cost of any copying shall be borne by the member or representative, but shall not exceed twenty-five cents per page.

(2) Each year the State Treasurer shall publish and forward to the commission a consolidated report showing the fiscal transactions of the system for the preceding fiscal year, including gain or loss by category of security, a reconciliation of assets showing the progression of the fund from one year to the next, the amount of the accumulated cash and securities of the system and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of its assets and liabilities. Assets shall be shown at book and market value and by type or term of investment. Gain or loss shall be reported by category of security type. This requirement shall be satisfied if an Internal Revenue Service form 5500 is completed and submitted to the commission provided that the information included therein is sufficient to allow the computation of the investment yield of the fund on an annual basis. Each member shall receive a summary plan description within ninety days of employment and at least once in every four years thereafter. The commission shall notify members of substantial statutory plan amendments, if any, within two hundred ten days after their effective date.

(3) Effective July 1, 1985, and annually thereafter, the commission shall provide each member with a statement that shows the individual's vested benefits or the benefits the member may be entitled to on vesting and the date on which the member will be vested,

shows the amount of the member's accrued benefits, shows the name of the beneficiary, if any, of the member in case of death and shows the total amount of contributions paid by the member and the interest accrued, if any.

(j) **Claims procedure.** Any claim for a pension or any other benefit which may become available in accordance with the provisions of this chapter may be submitted to the commission provided it is submitted in writing. Any such claim will be reviewed and decided by the commission. The claimant shall be advised of the processing status of his claim upon reasonable request.

(k) **Claims review and appeal procedure.** If any claim is denied, a claimant may request that the decision be reviewed and reconsidered by the commission. Thereafter, any such case shall be decided as a contested case in accordance with chapter 54.

Sec. 5-155b. Regulations re claims and contested cases. The State Employees Retirement Commission shall adopt regulations, in accordance with the provisions of chapter 54, which establish the standards and criteria used by the commission (1) to review and reconsider decisions to deny claims submitted to the commission and (2) to decide contested cases.